



City of Springdale
Community Development Block Grant Program
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Community Development Block Grant Program

Housing Services Program

Housing Rehabilitation Program Information

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Attachments:

Deferred Loan Agreement
 Housing Rehabilitation Contract
 Payment Schedule
 Pre-Construction Conference and Notice to Proceed
 Change Order Authorization
 Project Close-out Certification and Owner's Warranty
 Payment Request Authorization
 Deferred Loan Agreement Addendum
 Waiver of Lien Rehab

Community Development Block Grant Program

1. The City of Springdale is a participant in the United States Department of Housing and Urban Development's Community Development Block Grant Entitlement Cities Program and the city is awarded funds annually.
2. The objective of the program is the preservation and development of viable communities by providing decent housing, a suitable living environment, economic development opportunities, public services and public facilities principally for low-to-moderate-income persons.
3. The Planning and Community Development Department provides the administrative function and is the designated authority of the City for the Community Development Block Grant Program.
4. The City's primary objective is to provide funds to the Community Development Block Grant Housing Services Program. Eighty percent (80%) of the funding from the grant is placed in the Housing Services Program. The funds are used primarily to assist qualified low-to-moderate-income homeowners. The goal is to bring older single family owner-occupied homes up to current Housing and Energy Efficiency Standards. The primary goal is to reduce the homeowner's monthly utility expenses by making energy saving improvements to the home.
5. The Community Development Block Grant Program may provide a Deferred Forgivable Loan up to a maximum of \$30,000 to qualified homeowners for Housing Rehabilitation and/or Major Emergency Repairs.
6. Every single-family dwelling qualified for the Housing Services Program and constructed before 1978 must be tested for the presence of Lead-based Paint by an Arkansas certified and licensed Lead-Based Paint Inspector.
7. Each homeowner receiving Housing Rehabilitation assistance is required to keep his/her/their property mowed, cleaned-up and prevent the property from becoming in violation of any city ordinance. The homeowner(s) are also required to maintain their home and the improvements made by the Housing Services Program. The homeowner(s) are required to perform routine and preventive maintenance work on his/her/their home.

Community Development Block Grant Program Manager

1. The Planning and Community Development Department has a staff member (referred to in this document as the "Project Manager") that manages the Housing Services Program.
2. The Project Manager is assigned with the following duties:

- (a) Conducts a Housing Quality Standards Inspection of the home. A Housing Quality Standards Inspection will determine:
 - 1. The physical condition of the structure, components and fixtures.
 - 2. The type of work eligible to be performed under the Housing Services Program.
 - 3. Is there work required to bring the home up to current housing standards?
 - 4. Is there any work necessary to improve the energy efficiency?
 - 5. Is there work required to eliminate unsafe and unhealthy conditions?
 - 6. Is there work necessary to eliminate unsightly conditions?
 - 7. What type of maintenance work is required to be performed?
 - 8. Is the home accessible for contractors to perform work?
- (b) Arranges to have an Arkansas State Licensed and Certified Lead-based Paint Inspector perform a lead-based paint inspection on homes constructed prior to 1978.
- (c) Writes a detailed Description of Work for each Housing Rehabilitation, Emergency Repair and Volunteer Project.
- (d) Recruits qualified contractors to submit bids for the housing rehabilitation or repair work.
- (e) Serves as the Project Manager, inspector, and advisor for the homeowner(s) and is the liaison between the homeowner(s) and contractor(s).
- (f) Conducts daily inspections of the work progress.
- (g) Carries out all functions of contract administration with the goal of providing a quality project in a timely schedule.
- (h) Conducts inspections with the homeowner(s) to ensure the work has been completed to the homeowner's satisfaction and in accordance with the contract documents and any change orders.
- (i) Identifies and coordinates Housing Rehabilitation Projects for individuals and groups looking to perform volunteer work. Serves as the project coordinator and is the liaison between homeowner(s) and volunteers.

Deferred Forgivable Loan

1. Attachment A at the end of this document is an actual Deferred Forgivable Loan Agreement.
2. A Deferred Forgivable Loan Agreement is an agreement between the homeowner(s) and City of Springdale. The amount of a Deferred Forgivable Loan varies for each homeowner and is based on the amount of grant funds provided to the homeowner(s). A grant is to pay for the cost of the work required to bring the home up to current housing and energy efficiency standards.
3. A Deferred Forgivable Loan Agreement is to ensure the homeowner(s) do not sell their home as soon as the Housing Rehabilitation improvements are completed and financially benefit from the grant. If the homeowner(s) decides to sell his/her/their home at any time during the affordability period, he/she/they are responsible to repay the current balance remaining on the Deferred Forgivable Loan Agreement at that point-in-time.
4. The duration (affordability period) of a Deferred Forgivable Loan is dependent on the amount of grant funds spent on the home.
 - (a) Five Years - for amounts between \$2,000 and \$10,000
 - (b) Ten Years - for amounts between \$10,000 and \$30,000
5. The Deferred Forgivable Loan does not have to be repaid as long as the homeowner(s) continues to occupy the dwelling during the affordability period.
6. During the affordability period, refinancing will be allowed by the City if the homeowner(s) can get a better interest rate on his/her/their existing mortgage. Under this circumstance the City would subordinate the Deferred Forgivable Loan Agreement.
7. If refinancing does occur and the homeowner(s) takes cash out, the current balance remaining on the Deferred Forgivable Loan at that point-in-time must be repaid to the City before the Deferred Forgivable Loan Agreement would be released.
8. The City cannot subordinate the Deferred Forgivable Loan Agreement if the homeowner(s) want to refinance and take cash out.
9. The affordability period begins the date stated on the Deferred Forgivable Loan Agreement and extends for the duration specified in the agreement.

10. The homeowner(s) shall enter into a Deferred Forgivable Loan Agreement with the City at the beginning of the project and for the amount of Community Development Block Grant Program funds required to complete the work. This agreement allows the City to commit and provide the funds required for the work.

Lead-based Paint

1. Lead-based Paint is paint at or above the United States Department of Housing and Urban Development's regulated level of 1.0 microgram per square centimeter.
2. The results of the Lead-based Paint Inspection will identify the locations where Lead-based Paint was detected, concentration levels of the Lead-based Paint and the condition of the Lead-Based Paint on each surface tested.
3. The Project Manager must have possession of the Lead-based Paint Inspection Report before a Description of Work can be finalized.
4. Emergency Repair work may be accomplished without having a Lead-based Paint Inspection if the work will not affect Lead-based Paint Regulations, such as roofing, exterior plumbing, some electrical and/or heating/ventilation/air conditioning work.
5. If emergency work requires painted surfaces to be disturbed a contractor certified in Lead-based Paint Safe Work Practices is required to be hired to perform the work.
6. A copy of the Lead-based Paint Inspection Report will be provided to the homeowner(s) within five (5) working days of the report being received by the Project Manager. The homeowner(s) will also receive a Lead-based Paint Disclosure Notice.
7. Material containing high levels of Lead-based Paint may be removed and replaced if possible or feasible or it may be covered. All construction material being removed from the home containing Lead-based Paint belongs to the contractor performing the work, and he/she is required to remove the material from the property.
8. At the completion of a Housing Rehabilitation Project a Lead-based Paint Clearance Test is required to be performed by an Arkansas State certified and licensed Lead-Based Paint Clearance Inspector.
9. A copy of the Lead-based Paint Clearance Report will be provided to the homeowner(s) within five (5) working days of the report being received by the Project Manager.

10. If a Lead-based Paint Inspection has been performed and the homeowner(s) alters, modifies, and/or removes or has someone else alter, modify, and/or remove any material previously identified as containing high levels of Lead-based Paint from the home prior to the start of the Housing Rehabilitation Project, the homeowner(s) may be financially responsible for a Lead-based Paint Clearance Test and cleaning if required. Current clearance testing fees would apply.

Housing Rehabilitation

1. Rehabilitation is defined as: to restore to former state or sound operation
2. The primary objective of the Housing Rehabilitation Program is to assist homeowners with energy conservation improvements. Some goals are to:
 - (a) Reduce the homeowner's monthly utility expenses (natural gas, water, electric)
 - (b) Eliminate a condition that may be unsafe or unhealthy to the occupants
 - (c) Eliminate unsightly conditions of the home
 - (d) Eliminate potential hazards to life or property
3. Housing Rehabilitation expenses are paid from the city's Housing Services Program.
4. A Housing Rehabilitation project is work that is necessary to bring the dwelling up to current building codes, housing and energy efficiency standards.
5. Additional work may be performed as required or allowed by the Housing Services Program. Some examples are, but not limited to:
 - (a) Installing vinyl siding and/or soffit
 - (b) Installing rain gutters
 - (c) Replacing deteriorated roofing materials
 - (d) Replacing all medium based incandescent lights in all permanently installed light fixtures with compact fluorescent lights
6. Program funds may be used to update plumbing systems or components, electrical fixtures and services, certain natural gas fixtures and heating/ventilation/air conditioning units if necessary. Some examples are but not limited to:
 - (a) Replacing old hot-water-heater-tanks

- (b) Replacing heating/ventilation/air conditioning systems having an 90% or less efficiency rating
- (c) Replacing fuse boxes with circuit breaker boxes
- 7. A priority is to install energy star rated window units, entry doors and insulation.
- 8. Other repairs or improvements will be performed if the work is required to bring the dwelling up to current housing and energy efficiency standards.
- 9. The repair or purchase of appliances such as: refrigerators, stoves, freezers, washers or dryers are not eligible expenses from the grant.
- 10. Repairing or replacing window air conditioning units are not an eligible expense.
- 11. Routine or emergency repair service calls are not an eligible expense and will not be paid from the grant.
- 12. Most cosmetic and some other types of work are not eligible to be funded under the Housing Services Program, work such as;
 - (a) Interior or exterior painting
 - (b) Replacing or installing carpet
 - (c) Installing ceramic tile or wood laminate
 - (d) Replacing interior doors or trim
 - (e) Improvements or repairs homeowner(s) should be performing as needed to maintain the home
 - 1. Replacing deteriorated wood
 - 2. Repairing or replacing broken light fixtures
 - 3. Repairing or patching holes in interior or exterior walls
 - 4. Repairing leaking water lines and fixtures
 - 5. Keeping the sewer's drain lines free of blockages
 - 6. Repairing leaking roofs
 - 7. Other repairs necessary, to keep the home in a sound condition

- 13.** The Housing Rehabilitation priorities are:
- (a) Reducing Lead-based paint hazards to children seven and younger
 - (b) Making the home safe and secure
 - (c) Improving the energy efficiency of the home
 - (d) Bringing the home up to current housing standards
 - (e) Eliminating potential hazards to life or property
 - (f) Additional work as may be necessary or required
- 14.** Housing Rehabilitation Projects exceeding the budget will not be performed unless the homeowner(s) can pay the difference between the budget and the contractors bid amount. If, a homeowner cannot pay the difference the Project Manager may be able to write a change order to delete certain sections or parts of certain sections from the approved Description of Work. Work required by the City's Building Inspection Department is not eligible to be deleted, such as: the installation of hard-wired/battery-backup smoke/carbon monoxide detectors. Some work required by the Housing Services is also not eligible to be deleted, such as: installing energy star rated window units. The Project Manager will work closely with the homeowner(s) and contractor(s) to get the project within the budget.
- 15.** At times there have been Housing Rehabilitation Projects that were under the budget when started, but unforeseen work sometimes arises which puts the project over the budget. In cases like this, if the homeowner(s) cannot pay for the additional work required, then the Project Manager has the right to make deletions to the Contractor's Description of Work in order to keep the project within the allowed budget. This may mean that certain work or items not necessarily required must be deleted from the approved Description of Work.
- 16.** Any previously Community Development Block Grant Program funds disbursed on the homeowner(s) home will be deducted from the total budget.

Description of Work

- 1.** A Description of work is prepared based on the results of the Housing Quality Standards Inspection.
- 2.** A Description of Work is a written document detailing the work required to be performed on the home.

3. The Description of Work shall be detailed and shall specify:
 - (a) What type of work is required to be performed?
 - (b) The location of the work to be performed; bedroom, kitchen, bathroom, etcetera.
 - (c) The size, type, style, shape, quantity, thickness of material to be installed.
 - (d) Action verbs such as: To remove, replace, construct, install, etcetera.
 - (e) The color and style of specified material to be installed.
4. The homeowner(s) shall cooperate with the Project Manager in a reasonable manner to facilitate writing the Description of Work by choosing colors and styles. The homeowner(s) will make all choices of color, style, or pattern selection from the available samples of colors, patterns, and styles stocked by local suppliers. This may involve colors in roofing shingles, vinyl siding, color and patterns of kitchen and/or bathroom floor coverings and laminate countertops. All colors, styles and patterns shall be selected within five (5) working days after the Project Manager makes his initial site visit to begin writing the Description of Work. The homeowner(s) shall furnish to the Project Manager the location, manufacturer's brand name, product number, color, style, pattern and cost of any items from which the homeowner(s) is allowed to choose.
5. The Project Manager shall have the Description of Work written, changes made if necessary, completed and approved by the homeowner(s) within five (5) working days after a Housing Quality Standards Inspection was conducted. This time frame is dependent on the homeowner(s) making his/her/their selection of any colors necessary to complete the writing of the Description of Work.
6. Just because a Description of Work has been written and approved by the homeowner(s) does not mean the project is ready to begin. Homeowner's names are placed on a waiting list and chosen from the waiting list based on a point system and other requirements of the Housing Services Program.
7. The purpose of writing a Description of Work regardless of where the homeowner's name appears on the waiting list is to facilitate the use of volunteers who assist the Housing Services Program throughout the year. Some less technical projects are performed by volunteers. Having a Description of Work completed in advance allows the Project Manager to have projects ready when individuals and groups want to volunteer and assist homeowners.

8. The homeowner(s) shall read and approve the Description of Work before it will be advertised or released to contractors interested on bidding on the project. The Description of Work will be hand-delivered, sent by e-mail if available, or sent through the United States Postal Service to the homeowner(s) indicating he/she/they should read the Description of Work. The homeowner(s) shall notify the Project Manager after he/she/they have read, agree with and approved the Description of Work.
9. Contractors are required to obtain a housing rehabilitation permit before any work begins. Contractors are also required to have the City's Building Inspection Department conduct an inspection after the housing rehabilitation work is completed to ensure the work performed meets the City's adopted Building Codes.
10. The electrical, heating/ventilation/air conditioning and insulation contractors will need access to the attic area to perform their work. The homeowner(s) are required to remove all personal belongings from the attic before the project will begin.
11. The Project Manager shall release the Housing Rehabilitation project for bids when the homeowner's name appears within the top three names on the waiting list and funds are available.
12. The Project Manager shall prepare an Invitation to Bid packet prior to advertising and releasing an approved Housing Rehabilitation Project for bids. All Housing Rehabilitation Projects are required to be advertised in the legal section of a newspaper and released to contractors interested in submitting a bid on the project.
13. Housing Rehabilitation Projects are required to be out for bids for a minimum of fourteen (14) days. Projects are released for bids on Wednesdays and are due on Wednesdays fifteen (15) days later.

Materials

1. All material specified to be removed as part of the Description of Work becomes the property of the contractor or the Housing Services Program and shall be removed from the property by the contractor or Project Manager.
2. All material specified in the Description of Work will be new and standard contractor grade material.
 - (a) New faucets shall be single handle with a chrome finish
 - (b) Fuse boxes will be replaced with panel boxes

- (c) Ceiling fans shall be installed in living rooms; 52" with an antique brass finish and a four-light kit. Ceiling fans shall also be installed in bedrooms; 42" with an antique brass finish and a three-light kit
 - (d) Smoke/Carbon Monoxide detectors shall be white hard-wired, with battery back-up, and installed in each sleeping area and outside the sleeping area(s) or in hallways.
 - (e) Duplex receptacles above the kitchen countertops, in bathrooms and in garages are required to be Ground Fault Circuit Interrupters with face plates.
 - (f) All new Heating/Ventilation/Air Conditioning units shall have an energy star rating and the thermostats shall be digital and programmable.
 - (g) Kitchen, bathroom or laundry room floor coverings required to be replaced shall be replaced with sheet vinyl.
 - (h) New toilet units shall be 1.6 gallon per flush or less and white.
 - (i) Entry doors will be pre-hung, six-panel, metal-clad and insulated
 - (j) Lock sets, dead bolts and security viewers shall have an antique brass finish
 - (k) Storm doors shall be white, vinyl clad and installed over entry doors.
 - (l) Windows shall be vinyl, white and either single-hung, single-slider or triple slider (XOX) depending on the rough opening size.
 - (m) Roof shingles shall be three-tab with the color chosen by the homeowner(s).
 - (n) Vinyl siding shall be one color chosen by the homeowner(s).
 - (o) Vinyl soffit, corners and vinyl accessories shall be white
 - (p) Paint colors shall be chosen by the homeowner(s) with one trim color and one field color.
 - (q) 1" wide white mini blinds shall be installed over all window units without blinds, to ensure privacy
- 3.** Homeowner's that want to upgrade from a contractor grade material to a higher grade material, or upgrade from a standard item listed in the General Specifications Guide to a special item selected by the homeowner(s) is required to pay the difference including taxes between the two items, plus any additional labor cost. Some examples of material upgrades are:

- (a) Metal roof instead of an asphalt shingle roof
 - (b) Entry door(s) with glass instead of a solid entry door(s)
 - (c) Full glass storm door instead of a standard storm door
 - (d) Special color or style of ceiling fans instead of standard ceiling fans
 - (e) Specially designed faucets instead of standard faucets
 - (f) Other special material instead of standard material
4. Homeowner's that want to upgrade or change from the standard material are required to pay their portion to the city before a contract will be signed with the housing rehabilitation contractor.

Maintenance and Minor Repair Work

1. The Housing Rehabilitation Program is not a maintenance or repair program.
 - (a) Maintenance: maintaining, maintained is defined as, keeping equipment, fixtures, materials in repair
 - (b) Repair: to put into good or sound condition after damage or the effects of wear and tear
2. The Description of Work may include sections titled Plumbing Maintenance, Electrical Maintenance, Carpentry Maintenance and/or Landscaping Maintenance. These sections will describe the maintenance and/or repair work the homeowner has requested to be performed and/or that is required to be performed by the Housing Services Program. Most maintenance related work is required in order for the contractor to pass his final Housing Rehabilitation Inspection.
3. Normal maintenance and repair work is the homeowner(s) responsibility. The homeowner(s) may:
 - (a) Perform any required maintenance work themselves
 - (b) Arrange to have the required maintenance work performed by someone else before a contract is signed
 - (c) Pay the City which in-turn will pay the contractor hired to perform the housing rehabilitation work to also perform the required maintenance work

4. Homeowner's that will not perform the maintenance work themselves are required to pay all or a portion of the cost of the maintenance work to the city before a contract will be signed with the housing rehabilitation contractor.
5. Homeowners are required to pay a portion of the cost required to paint any new material installed and exposed to the weather, such as entry doors.
6. The amount a homeowner shall pay to have the required maintenance work performed by the contractor hired to perform the housing rehabilitation work is based on the total cost of the maintenance work. The homeowner(s) may be required to pay the entire cost of the maintenance work or a portion of the cost.

The minimum amount homeowner(s) shall pay is based on their income level.

- (a) Extremely-low; 0 - 30% cost share is 5%
 - (b) Very-low; 30% - 50% cost share is 7.5%
 - (c) Low; 50% - 80% cost share is 10%
7. Some examples of minor maintenance and repair work include but not limited to:
 - (a) Replacing missing/broken face plates from light switches and/or receptacles.
 - (b) Replacing missing or broken light fixtures.
 - (c) Replacing missing or broken light fixture covers or globes.
 - (d) Replacing missing light bulbs.
 - (e) Replacing missing heating/ventilation/air conditioning grilles.
 - (f) Unclogging drain lines.
 8. There may be additional work required to be performed and that is classified as maintenance or repair work.
 9. Contractors are required to obtain a building rehabilitation permit before any rehabilitation work begins. Any minor maintenance or repair work required for the contractor to pass his/her housing rehabilitation inspection must be performed by the homeowner(s) or paid for by the homeowner(s) before his/her/their project will begin.
 10. Program funds may only be used to rehabilitate the main dwelling and not on any out-buildings such detached garages or sheds.

Major Emergency Repair Work

1. There are some instances where the Housing Services Program may provide the funding and arrange to have major emergency repair work performed, such as the replacement of:
 - (a) Broken yard water supply lines
 - (b) Deteriorated yard sewer lines
 - (c) Leaking hot-water-heater-tanks
 - (d) Deteriorated roofing materials
 - (e) Non-working central heating/ventilation/air conditioning units

Homeowner Support

1. Homeowner(s) are required to remove all personal items from the attic area before the start of his/her/their Housing Rehabilitation Project. The homeowner(s) may choose to pay the contractor hired to perform the housing rehabilitation work to remove all personal belongings from the attic area.
2. Homeowner(s) are required to remove or have removed all excess junk, debris, trash or yard waste from the property before a Housing Rehabilitation contract will be signed. The homeowner(s) may choose to pay the contractor hired to perform the housing rehabilitation work to also remove the excess junk, debris, trash, or yard waste required by the City's Code Enforcement Section to be removed from the property.
3. If the homeowner(s) will continue to occupy the home during the housing rehabilitation work, the homeowner(s) shall cooperate with the contractor by abandoning areas necessary for the contractor(s) to perform the work and moving, or removing personal possessions which will interfere with the work.
4. The homeowner(s) shall confer with the contractor and Project Manager regarding minor problems and general progress of the project. The Project Manager shall be involved with the project from the initial site visit through the final closeout inspections. The Project Manager is to be notified for any warranty work during the homeowner(s) warranty period (1 year from project completion).
5. The homeowner(s) shall authorize payments to the Contractor by signing a Payment Request Authorization Form provided by the Project Manager. The homeowner(s) shall not withhold any payment due to the contractor for work performed. Project's costing less than \$100 does not require the homeowner's authorization as long as the Project Manager has inspected the completed project

and signs a Payment Request Authorization.

6. The City retains the right to pay the contractor directly and without the homeowner(s) consent if the contractor has completed any portion of the Description of Work, to include any change orders, and all work has been performed in a workmanlike manner; according to common construction practices and building codes.
7. For rehabilitation and emergency repair projects the existing home's utilities shall be made available, without charge to the contractor including electricity, gas, and water.
8. Landscaping: If exterior work is required and the homeowner is physically able, it shall be the homeowner(s) responsibility to remove any vines from the exterior wall surfaces and to remove and/or trim any bushes, hedges or trees that may interfere with installing new windows, siding or other exterior work.
9. The homeowner(s) may not perform or hire another contractor to perform any type of construction-related repairs, improvements, and/or modifications to his/her/their home, effective from the date of the Housing Quality Standards Inspection through the final housing rehabilitation inspection, which will be performed by the City's Building Inspection Department and/or the Project Manager. Failure to comply with this section will cause the project to be placed on hold until the unauthorized repairs, improvements, and/or modifications have been completed.
10. Contractors and their subcontractors are prohibited from smoking in homes being rehabbed under the City's Housing Services Program even with permission from the homeowner(s). The Project Manager respectfully requests the homeowner(s) do not smoke in his/her/their home while the contractors are on-site and performing work inside.
11. Any and all funds required to be provided by the homeowner(s) are required to be paid to the City before a contract is signed by the homeowner(s), contractor and the Project Manager. Funds provided by the homeowner(s) will be paid to the contractor in his final check. Funds provided by the homeowner(s) will not be included in the Deferred Forgivable Loan Agreement.
12. The homeowner is required to be at home and available the morning or afternoon the contractor has his final inspection of the rehabilitation work scheduled to be inspected by the City's Building Inspection Department. Failure to be available after being notified by the contractor or Project Manager of the inspection will require the homeowner to pay the \$25.00 re-inspection fee required by the Building Inspection Department.

Bid Opening

1. The Project Manager shall hold a bid opening on the date and time and at the location specified in the Invitation to Bid. Bids are normally due at the City

Administration Building, 201 Spring St., Room 214, Wednesday's at 12:00PM.

2. The bid opening is required and open to the public.
3. The homeowner(s) and bidders are encouraged to attend the bid opening.
4. The project shall be awarded to the lowest qualified bidder.

Pre-construction Meeting

1. Upon receipt of the bids, the Project Manager shall hold a preconstruction meeting with the Homeowner(s) and Contractor within five (5) working days of the receipt of bids.
2. A date and time will be set for a pre-construction meeting to be held at the homeowner's home or the Project Manager's office. At this meeting the Homeowner(s), Contractor and Project Manager will sign all required paperwork to begin the project.
3. At the meeting the following documents will be reviewed and signed by all parties involved;

(a) Contractor's Acceptance/Notice to Proceed

(b) Housing Rehabilitation Contract with

Attachment A - Description of Work with contractor's bid amounts

Attachment B - Payment Schedule

(c) Deferred Loan Agreement

(d) Change Order (if necessary)

Contractor

1. A contractor is a bidder that submits a bid to perform the detailed Description of Work on the homeowner's home.
2. The contractor shall specify the date he/she will begin the Housing Rehabilitation project. This date shall not be more than ten (10) days from the date of the pre-construction meeting, unless mutually agreed upon by all parties involved.
3. The contractor shall have thirty (30) consecutive days (depending on weather and any change orders) from the start date to complete the approved Description of Work. The contractor has three (3) additional consecutive days to have the final

inspections conducted by the City's Building Inspection Department.

4. A contractor that is hired by the homeowner(s) and paid by the Community Development Block Grant Program on behalf of the homeowner(s) is considered a General Contractor. The General Contractor works directly for the homeowner(s).
5. A subcontractor is hired and paid by a General Contractor. Subcontractors work directly for the general contractor.
6. All contractors shall carry and require that there be carried by the subcontractors general liability insurance which shall include contractual projects. The Contractor shall submit evidence of insurance coverage to the Project Manager within five (5) working days of the bid opening.
7. Any permit(s) required shall be obtained and posted on site by the contractor(s) before any work begins.
8. The Project Manager shall provide a permit box along with a copy of the approved Description of Work to be left in the permit box during the course of the project.
9. Permit fees for Housing Rehabilitation and Emergency Repair projects are waived by the City of Springdale.
10. A final inspection must be conducted and passed by Springdale's Building Inspection Department before the contractor's final check will be released.

Contract

1. Attachment B at the end of this document is an actual Housing Rehabilitation Contract that is required to be signed by the homeowner(s), contractor and the City of Springdale's Project manager.
2. The homeowner shall enter into a contract with the contractor for the total amount of funds specified in the bid, including the homeowner(s) share of the project cost.
3. The City shall pay the contractor with the homeowner's approval for the work described and completed in the Description of Work and for the price stated in the contract and Payment Schedule.
4. No work shall be commenced by the contractor until the contractor has received an executed contract and a Notice to Proceed.
5. The homeowner(s) is required to sign a Pay Request Authorization Form for each payment requested by the contractor.
6. All monies due to the contractor shall be paid directly to the contractor by the City

on behalf of the homeowner(s).

7. Payments due to the Contractor for housing rehabilitation projects shall be disbursed in either One (1) or Two (2) payments depending on the duration of the project and as stated in the Payment Schedule.
8. The City retains the right to pay the contractor directly, and without the homeowner(s) approval, if the contractor has completed the work in the Description of Work, including any Change Orders and the work has been performed according to common construction practices and adopted building codes.
9. The homeowner(s) has the right to terminate the contract should the Contractor at any time:
 - (a) Fails to commence and/or proceed in such a manner that will cause the project not to be completed by the agreed completion date.
 - (b) Permits work to cease for any cause, on said improvement for a period of 5 working days
 - (c) Fails to maintain the quality and the intent of the approved Description of Work as interpreted by the homeowner(s) and the Project Manager.
 - (d) Dies or becomes physically or mentally incapacitated to carry on his/her business, or if a voluntary or involuntary petition of bankruptcy is filed by or against the Contractor, or if the Contractor becomes insolvent or makes an assignment for the benefit of creditors, or if a receiver is appointed for the Contractor's assets.
 - (e) Assigns the Contract to another Contractor or party without written consent of the homeowner(s). (Assignment to establish a financial credit line is acceptable without the homeowner's consent.)
 - (f) If any of these events occurs, the homeowner(s) shall, by letter; advise the Contractor of the termination of the Contract and direct the Project Manager to withhold any further disbursement of funds to the contractor. The Planning & Community Development Director shall determine if the Contractor is entitled to reimbursement for unpaid completed work, but only after all costs have been fully paid for the completion of all contracted work including any Change Orders.
10. The Contractor has the right to terminate the Contract, should the owner at any time;
 - (a) Deny the Contractor access to the property during normal working hours
 - (b) Enter into a separate contract, subcontract or hire another person at the time

the original contract is in force for the specific address except those which have been agreed to by the homeowner(s) and the Contractor.

- (c) Delay the work (3 days or more) as described in the Description of Work due to wanting to make changes to the original bid specifications.
- (d) If any of these events occur, the Contractor is entitled to reimbursement for all work completed, in a proportionate amount of the total Contract price. The Planning & Community Development Director shall determine this amount.

Change Order(s)

1. A Change Order will only be allowed for unforeseen work. Unforeseen work is work that is required but could not be seen during the visual Housing Quality Standards Inspection of the dwelling. The unforeseen work must be required to correct structural damage, eliminate code violations, or similar work required to complete the project and pass the final inspection.
2. No revisions, modifications, additions or deletions to the Description of Work shall be made without prior approval by the Project Manager, homeowner(s) and contractor through the execution of a written Change Order by the three parties.
3. Any additional funds needed for unforeseen work, must be approved prior to the additional work being started.
4. The cost of any approved Change Order(s) will be submitted on the contractor's final invoice.
5. The homeowner(s) are financially responsible if he/she/they ask the contractor or a sub-contractor to perform any work not in the approved "Description of Work" or approved Change Order.

Project Site

1. Any damage to the dwelling or property caused by the contractor(s), his/her worker(s), delivery personnel or vehicles during the rehabilitation project shall be repaired to like-new condition, unless otherwise noted.
2. The contractor(s) shall maintain a clean and orderly project site during the course of the work.
3. If a General Contractor is assigned to oversee the entire project he/she is responsible for ensuring the work site is cleaned up daily or on an as-needed basis.
4. If a General Contractor is not assigned to oversee the project then the contractor(s) performing the work are responsible for cleanup.

Warranties

1. The Contractor will guarantee all work performed for a period of one (1) year from the date of the recorded notice of completion of all work performed under the contract.
2. Manufacturers' and suppliers' written guarantees and warranties, covering materials and equipment, furnished under the contract shall be furnished to the homeowner.
3. All warranties shall specifically provide all defects in material and workmanship appearing during the warranty period, as determined by the Project Manager. In case of conflict between the contractor and the homeowner(s), it will be remedied to the satisfaction of the Planning & Community Development Department at no additional cost to the homeowner.
4. Warranty of new roofs shall be for a minimum of one year for labor and for the period as specified by the manufacturer of the roofing materials, from the date of final inspection.
5. Repairs performed by a contractor may or may not be covered under warranty.
6. The homeowner(s) shall notify the Project Manager if a problem arises from the work that was performed by the contractor in regards to the Description of Work. The purpose of notifying the Project Manager is to track the number of times a contractor is called back to correct his/her work.
7. The homeowner(s) shall notify the contractor directly, and explain the problem to him/her and schedule a date and time for the contractor to correct the problem.
8. Any product(s) supplied by the homeowner(s) is not covered under the warranty.
9. Maintenance work may or may not be covered under the warranty.

Paint Program

1. Housing Services Program Funds are used only to pay contractors to paint new material installed during a housing rehabilitation or emergency repair project that is exposed to the weather (outside).
2. The homeowner(s) may pay the housing rehabilitation contractor or someone else to perform the interior painting work required to paint the unfinished interior material Installed during the project or may complete the painting work themselves.
3. The homeowner(s) may wish to use family members, friends, or others to perform the painting work.

4. The Project Manager may provide one trim and one field color of paint to the homeowner(s) to paint the interior of the home if the surfaces are in need of painting.
5. The Housing Services Program may provide volunteers if available to perform the painting work.
6. The Housing Services Program has painting tools, supplies and equipment available for homeowner(s) to perform any painting work that maybe required. The homeowner(s) are required to clean all non-expendable tools before returning them to the Housing Services Program Manager.

Landscaping

1. Dead, diseased or dying trees on the homeowner's property which may constitute a potential hazard to life or property, or harbor insects or disease which constitutes a potential threat to other tress on the property or within the neighborhood must be cut-down and removed by city ordinance 4120, §6, 10-9-07 (Section 42-156). The removal of dead, diseased or dying trees reduces the possibility the trees or limbs from the trees may fall on the owner's home or personal property or the neighbor's home or personal property and cause unnecessary damage.
2. The removal of dead, diseased, dying trees and/or live trees on real property may be partially funded by the Housing Services Program if the City also plans to rehabilitate the home on the property. The homeowners shall pay a portion of the cost to remove or trim any trees on the property that may be required to be removed or trimmed.
3. Tree limbs hanging directly on or immediately above the incoming electrical service lines from the electrical utility pole to the dwelling may be trimmed due to the possibility of the limbs breaking and falling which may damage the electrical service and cause a potential hazard to life or property and in most cases is a requirement of the homeowner's electrical service provider.
4. Tree limbs hanging over the roof of the dwelling are required to be trimmed to reduce the possibility of the limb's rubbing the shingles, breaking and falling and causing damage to the roof or structure and in most cases is a requirement of the homeowner's insurance company.
5. The amount a homeowner shall pay to have trees trimmed and/or removed required by ordinance, insurance company or the electrical service provider is based on the total cost of the tree removal or trimming cost and the homeowner's income level.

(a) Extremely-low; 0-30% cost share is 5%

(b) Very-low; 30% - 50% cost share is 7.5%

(c) Low; 50% - 80% cost share is 10%

6. The chipping of tree stumps near the structure may be funded by the Housing Services Program if there is a possibility that termites will nest in the stumps. It may be the property owner's responsibility to remove the stump debris.
7. Housing Services Program funds disbursed for the trimming or removal of trees or the chipping of stumps does not apply towards the grant awarded to homeowner(s) for housing rehabilitation work.
8. The replacement of trees, bushes, hedges, shrubs, flowers or plants is not an eligible expense under the Housing Services Program.
9. The Housing Services Program does not fund the removal of bushes, hedges, shrubs, plants, vines or any other type of landscaping material on the property.
10. Chain-link, wood privacy fences or any other type of fencing material is not an eligible expense under the Housing Services Program. The repair, replacement or installation of fencing material is the homeowner's responsibility.
11. Landscaping material such as pavers, borders, edging, blocks, top soil or sod will not be provided by the Housing Services Program.

Self-help Program

1. The Housing Services Program may provide materials to homeowner(s) in order for him/her/them to complete minor maintenance work or a qualified Housing Rehabilitation Project on his/her/their own home.
2. The Housing Services Program may loan the homeowner(s) the tools necessary to complete minor repair work or minor rehabilitation work on his/her/their home. Tools include but are not limited to: hammers, pry bars, wrenches, putty-knives, caulking guns, screwdrivers, pliers, nail aprons, gloves, drop cloths, step ladders, extension ladders, battery powered tools, etcetera.
3. The Housing Services Program also has some lawn tools available for homeowners to use in cleaning up their property. Tools include but are not limited to: hoes, round-point and square point shovels, lawn and garden rakes, pruning shears and saws, gloves, wheelbarrows, etc.
4. The Housing Services Program may also provide the tools and materials required for volunteer groups to complete a Housing Rehabilitation Project.

Volunteer Program

1. This program provides tools, equipment, materials, supplies and other items necessary for volunteers to perform painting, minor housing rehabilitation, demolition or landscaping work.
2. Some of the tools, equipment and/or materials are purchased with Community Development Block Grant funds, some are purchased with private funds, and others are donated by businesses, groups, organizations or individuals.
3. Organizations provide volunteers to complete minor housing rehabilitation, landscaping and cleanup work.
4. Volunteers range from individuals to large groups of seventy-five. Volunteers perform work that may take only take an hour or two to complete such as; cleaning up and landscape work on a property or up to four days to complete, such as; installing vinyl siding and soffit and wrapping the fascia boards on a home.
5. The Project Manager works with various businesses, organizations, groups and individuals that work on housing rehabilitation projects.
6. The Project Manager also maintains a list of groups and individuals that volunteer to work on housing rehabilitation projects.
7. Writing a Description of Work shortly after the applicant has qualified for the Housing Services Program allows the Project Manager to have a list of projects for volunteers available when businesses, organizations, groups or individuals request a housing rehabilitation community service project.
8. Many homeowners that have had rehab work done on their home volunteer to assist other homeowners on the waiting list. Homeowner(s), who are physically able to, are encouraged to volunteer and assist other homeowners.
9. Encouraging and allowing volunteers to perform housing rehabilitation projects that do not require a specialized trade (plumber, electrician, roofer, etcetera) is good for the community and the Community Development Block Grant Program.
10. Volunteers have saved the Housing Services Program as little as \$118 by painting exterior doors and casings on a home and as much as \$6,750 on another home by installing vinyl siding and soffit, painting the interior, removing a dilapidated front porch, constructing a new porch, installing mini blinds, landscaping, property cleanup and other minor work.
11. Volunteers perform a wide variety of work, including but not limited to:
 - (a) Interior and exterior painting
 - (b) Landscaping

- (c) Property cleanup
 - (d) Demolition of dilapidated out-buildings
 - (e) Construct and/or assemble new storage sheds
 - (f) Installation of mini blinds, etcetera
 - (g) Install vinyl siding
 - (h) Construct wheelchair ramps
 - (i) Construct or rebuild landings and decks
12. If volunteers are skilled there may be additional types of housing rehabilitation projects available
 13. If you or a group, organization, church, business or individual whom you know may be interested in volunteering, please call the Project Manager at 750-8550.

Recycle Program

1. All recyclable materials removed from homes during the Housing Rehabilitation or Emergency Repair work are recycled by the Housing Services Program. This benefits the Contractor, Volunteer Program, and environment. The contractors will save time and money by not hauling the material off to a landfill, and the Housing Services Program benefits financially by recycling the material.
2. Funds earned from recycling are placed in the Volunteer Program and used to purchase items volunteers may need, but are not allowed to be purchased with Community Development Block Grant Funds such as; drinks, food, tee shirts, ice chests, recycle containers, landscaping tools and other material and equipment that may make the work easier for the volunteers.

Contribution Program

1. Businesses and organizations donate gift cards, food, drinks, tools, equipment, supplies and materials.
2. Individuals donate new and old tools and equipment.
3. Homeowners who have received housing rehabilitation assistance also donate tools, material, equipment they no longer need or want.
4. Contractors donate time, money, material and supplies, recyclable material, etcetera.

Attachments

Community Development Block Grant Program

Housing Services Program

Deferred Loan Agreement

Grant Number: B-14-MC-05-0002

This Agreement executed this day of , **20** between homeowner's first and last names or his/her/their heirs or assigns, (referred to as the Owner(s) and the City of Springdale, Community Development Block Grant Program (referred to as the City) for the rehabilitation of the residential dwelling located at homeowner's street address, Springdale, Arkansas (referred to as the Property).

Whereas the City has determined the Owner(s) to be eligible for financial assistance based on guidelines established by the United States Department of Housing and Urban Development; and

Whereas the Owner(s) executed a separate Rehabilitation Contract(s) governing the rehabilitation of the residential dwelling referenced above.

Now therefore, in consideration of their mutual promises, the parties agree as follows:

1. General Conditions

- A. The City shall provide the Owner(s) a Deferred Forgivable Loan in the amount of grant amount Dollars (\$0.00) to be used to rehabilitate the existing residential dwelling referenced above, being more particularly described as: _____.
- B. The Owner(s) certify that the loan proceeds will be used only for the work and materials necessary to meet the Rehabilitation or Code Standards as described in the Housing Rehabilitation Contract and attachments thereof.
- C. The term of this Agreement is () Years. For each year or portion of a year the Owner(s) fulfill the requirements contained in this Agreement and other requirements of the Housing Services Program, the amount of the loan shall be forgiven at a rate of Ten (10%) percent per year.

2. Terms of Agreement

A. During the term of this Agreement the Owner(s) shall:

- (1) Occupy, establish, and use the property as his/her/their principal residence. The Owner(s) are prohibited from transferring, renting, or otherwise conveying the property without the written consent of the City. In the event the property is sold, transferred, abandoned, refinanced, rented, or otherwise conveyed during the term of this Agreement, the Owner(s) agree to repay the Deferred Loan in full, less any credit accrued at the rate stipulated in paragraph 1, General Conditions, item C, of

this agreement.

- (2) Prior to delinquency, pay all taxes, special improvement assessments, and other governmental charges levied against the property, both real and personal, at any time levied or becoming due;
 - (3) Insure all insurable property encumbered hereby against such hazards and in such amounts and under such form of policies, as shall be acceptable to the City for the term of this Agreement;
 - (4) Protect the property from damage, deterioration, and waste including hazardous waste, make all replacements and repairs necessary to keep the property in good physical condition, and keep the property from becoming in violation of City ordinances;
 - (5) Prevent the property from becoming encumbered by any lien or charge having priority over the lien of this Agreement. This Agreement shall not be subordinated to any subsequent lien, other than those which are perfected in the original financing arrangement of the property. In the event the Owner(s) rents, transfers, sells, or refinances the property, he/she/they agree to repay the Deferred Loan in full, less any credit accrued at the rate stipulated in Paragraph 1, General Conditions, Item C, of this agreement;
 - (6) Prevent any type of illegal activities from occurring on the property, including but, not limited to; growing, manufacturing, buying, or selling drugs.
 - (7) Allow the designated employee(s) of the City of Springdale access to the dwelling every year during the anniversary month of this agreement to perform an inspection to ensure compliance with this Agreement. Allow the designated employee(s) of the Department of Housing & Urban Development (HUD) access to the dwelling during the term of this Agreement to conduct an inspection.
- B.** In the event the Owner(s) fail to fulfill any condition contained in this Agreement or causes a breach of any condition contained in the Agreement the City may, at its option, require immediate payment in full of all sums advanced to the Owner(s). The City will give notice to the Owner(s) prior to taking any action. The notice shall specify (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to the Owner(s), by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Agreement, foreclosure by judicial proceeding, and sale of the Property. The notice shall further inform the Owner(s) of the right to reinstate after acceleration and the right to assert in the foreclosure proceedings the non-existence of a default or any other defense of the Owner(s) to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, the City, at its option, may require immediate payment in full of all sums secured by this Agreement without further demand and

may foreclose this Agreement by judicial proceeding. The City shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

- C. The Owner(s) covenant and agrees that he/she/they will comply with all requirements imposed by regulations of Title VI of the Civil Rights Act of 1964. The Owner(s) agree not to discriminate upon the basis of race, color, religion, sex, or national origin in the sale, lease, rental, use of or occupancy of the real property rehabilitated with the assistance of this Loan.
- D. Upon execution, this agreement will be filed with the Ex-Officio Recorder of Washington County, Arkansas for the period specified in Paragraph 1, General Conditions, Item C, of this agreement.
- E. Upon satisfactory completion of all terms and conditions of this agreement by the Owner(s), or upon payment of any balance due; the Owner(s) shall be entitled to a release and satisfaction by the City of this loan agreement.

In witness therefore, the City and the Owner(s) have executed this Agreement on or as of the date first above written.

Homeowner _____ **Date** _____

Homeowner _____ **Date** _____

Community Development Block Grant Manager: _____

SUBSCRIBED AND SWORN before me, a Notary Public this **day of**

Notary Public

My Commission Expires: _____

Community Development Block Grant
Housing Services Program
Housing Rehabilitation Contract
Grant Number: B- -MC-05-0002

This Contract is between homeowner's names (referred to in this Contract as the "property owner(s)") and contractor's first and last name doing-business-as contractor's business name (referred to in this Contract as the "contractor") warranting itself to be licensed and qualified to perform the work specified herein. This Contract is for the housing rehabilitation of the property located at homeowner's street address, Springdale, Arkansas (referred to in this Contract as the "Property").

In consideration of their mutual promises, the parties agree as follows:

PART 1 SPECIFIC TERMS

- 1. Effective Date:** This document shall have no force or effect unless and until executed by the property owner(s) and contractor, approved by the City of Springdale, Community Development Block Grant Manager, (referred to in this Contract as the "City"), and a properly executed and approved copy is mailed to the contractor at the address shown above. The date on which the copy is mailed shall be referred to as the "Effective Date". If a properly executed and approved copy of this Contract is not mailed on or before the execution date, the contractor is not bound by the terms of this Contract. If however, a properly executed and approved copy of this Contract is mailed after that date, and the contractor subsequently performs work on or delivers materials to the property, the contractor shall be bound by this Contract. The contractor shall not be compensated under this Contract for work commenced or materials delivered to the property before the Effective Date.
- 2. Contract:** This Contract consists only of this Part I (Specific Terms), Part II (Standard Terms), and the following attachments:
 - a. Description of Work / contractor's bid proposal
 - b. Payment Schedule
- 3. Time for Commencement and Completion:** The contractor agrees time is of the essence, and to commence, or cause to be commenced, the actual work described in the Description of Work within () Calendar Days after the Effective Date. The contractor agrees to complete, free of liens or rights of liens of contractors, mechanics, material men or laborers, all work listed in the Description of Work within () Consecutive Calendar Days after a Notice to Proceed is issued, subject to extensions approved by the property owner(s) and the City for the period of excusable delays (including strikes, acts of God or other reasons beyond the control of the property owner(s) or contractor. The contractor agrees that time is of the

essence of this Contract. If work has not been completed by such date, subject to extensions approved by the property owner(s) and the City for the period of any excusable delays (including strikes, acts of nature or other reasons beyond the control of the property owner(s) or contractor, the contractor shall be assessed liquidated damages in favor of the City in the amount of fifty dollars (\$50.00) per day for each calendar day in excess of the number of days, as provided herein, unless the act from a source, as determined by the property owner(s) or the City, is found to be beyond the contractor's control caused the such delay in completing the project. If for any cause, the contractor fails to fulfill in a timely and proper manner the obligations under this contract, the property owner(s) or City shall have the right to terminate this Contract by given written notice to the contractor of such termination and specifying the effective date of such termination. Upon termination of a Contract, the work accomplished in the specified manner under said Contract shall be compensated for in a manner based upon the itemized bid submitted by the contractor prior to the initiation of said Contract. Upon termination of a Contract or if the work has not been started by said date, this Contract may be considered null and void, all housing assistance contracts of the contractor, approved but for which Notices to Proceed have not been issued, may be considered null and void, and the "City" will have the right to consider the contractor ineligible to bid future projects.

4. **Contract Price:** The contractor agrees to accomplish the work as described in the Description of Work in accordance with each and every term and condition of this Contract, for a total contract price of contractor's written bid amount Dollars (\$..00). The price of specific items of work is stated in the Contractor's Bid Proposal Form.
5. **Progress Payments:** The contractor agrees that the total Contract price shall be paid as specified in the Payment Schedule; one payment 100% completion, or two payments 50% progress and 100% completion, based upon the value of the work completed at the time the progress payment is requested. Such progress payments shall be disbursed at the time and in the amounts specified in the Payment Schedule (attachment B), after inspection and approval of the work by the property owner(s) and the City. Any and all approved funded change orders will be processed with the final check. Final payment shall be due upon satisfactory completion and acceptance of the work as in compliance with this Contract by the property owner(s) and the City, permit sign-off, submission of satisfactory wavier(s) of liens satisfactory to the property owner(s) and the City indemnifying the property owner(s) against any lien, and submission of all warranties and guarantees. The property owner(s) shall not withhold payment to the contractor except for noncompliance with the terms of this Contract, and shall not request the Contractor to perform work outside the scope of this Contract as a condition of receiving payment. The contractor acknowledges that it is a material breach of this Contract to request or accept a progress or final payment which is in excess of the price of the work completed at the time such payment is requested.
6. **Warranty:** The contractor warrants that all improvements, hardware and fixtures of

whatever kind or nature to be installed or constructed on the property by the Contractor or the Contractor's subcontractors will be of good quality, suitable for their purpose and free from defects in workmanship or materials, or other deficiencies. The Contractor agrees that before final payment is made on a completed and approved project, the contractor will furnish the property owner(s) and City, (1) manufactures warranties and/or guarantees on all warrantable products and materials installed in the project, including but not limited to: asphalt shingles, water heaters, and furnaces and other heating equipment and (2) Contractor's warranty which is valid for one (1) year from the date of final inspection. The contractor agrees to remedy any defects in the Contractor's work and materials and any damage resulting there from which may appear within a period of one (1) year from the date of final acceptance of the work which is the date upon which final inspection was performed.

- 7. Parties to Contract:** The property owner(s) and Contractor agree that they are the sole parties to this Contract and are solely responsible for its performance. The parties agree that the City of Springdale or the United States Department of Housing and Urban Development assumes any liability or responsibility whatsoever for the performance of any term of this Contract. The property owner(s) will not perform or hire another contractor to perform any type of construction related repairs, improvements, or modifications to his/her/their home as of the date of this Contract through the final inspection phase which will be performed by the City's Building Inspection Department or the Planning & Community Development Department. Failure to comply with this section will cause this project to be placed on hold until the unauthorized repairs, improvements, or modifications have been completed. The property owner(s) agrees that only the items listed in the Contractor's Description of Work are to be accomplished under this contract. The property owner(s) agrees that he/she/they will provide notice of defects in workmanship or materials installed in the project within a reasonable period of time (30 calendar days). The Contractor will not be responsible for defects caused by acts of the occupants, by occupant's abuse, neglect or inadequate maintenance, or by Acts of God. It is recognized by the parties that the City shall make a grant and/or loan to the property owner(s) which shall be used to pay in whole or in part the cost of the Contract, subject to additions and deductions in written and signed change orders, as provided in the Description of Work and Housing Rehabilitation Specifications of the Contract. The property owner(s) and contractor agrees that the Community Development Block Grant Program Manager shall have the right to act for the property owner(s) in taking all actions necessary to insure the full and complete performance of the obligations of the contractor under this Contract, and the contractor agrees to hold the City harmless from and indemnify and the City against any and all claims from the property owner(s) or any third persons arising from the action of the contractor with reference to this contract.
- 8. Contract Limits:** This Contract shall be deemed to be the entire Contract and no other work shall be done or monies paid for such work unless advance notice thereof is given to the City of Springdale's Community Development Block Grant

Program Manager and the specific procedures set forth in the General Conditions for Housing Rehabilitation are followed.

9. **Statement of Work:** The contractor does hereby agree that, according to this Contract and for the price set forth hereinabove, he will furnish supervision, technical, personnel, labor, materials, tools, equipment, fixtures and services including transportation services, and perform and complete all work required in an efficient and workmanlike manner for the rehabilitation of the property listed above.

PART II STANDARD TERMS

1. **Insurance:** During the continuance of work under this Contract, the contractor and all subcontractors shall:
 - a. Maintain worker's compensation and employer's liability insurance in amounts required by the City or sufficient to protect themselves and the property owner(s) from any liability or damage for injury (including death) to any of their employees, including any liability or damage which may arise by virtue of any statute or law in force or which may hereafter be enacted.
 - b. Maintain public liability insurance in amounts sufficient to protect themselves and the property owner(s) against all risks of damage or injury (including death) to property or persons wherever located, resulting from any action or operation under this Contract or in connection with the work.
 - c. The contractor agrees to provide evidence to the City of such insurance prior to commencement of work. Failure to provide evidence of insurance or failure to maintain the insurance as required by this section shall be grounds for terminating this Contract at the option of the property owner(s).
2. **Assignment:** The contractor agrees not to assign this Rehabilitation Contract without prior written consent by the property owner(s) and the City and said request for assignment of the Contract shall be submitted to the City of Springdale's Community Development Block Grant Program Manager.
3. **Change Order:** The contractor agrees not to make any changes to the Schedule of Work or the Description of Work without written authorization by the property owner(s) and the City.
4. **Permits and Codes:** The contractor agrees to secure and pay for all necessary permits and licenses required for the contractor's performance of this Contract in compliance with applicable local requirements, including local building and housing codes, where applicable, whether or not specified in the Description of Work or General Specifications.
5. **Hold Harmless:** The property owner(s) and contractor agree that they are the sole

parties to this Contract and are solely responsible for its performance. The parties agree that the "City", the United States Department of Housing and Urban Development assumes any liability or responsibility whatsoever for the performance of any term of this Contract. The contractor agrees to defend, indemnify, and hold harmless the property owner(s) the "City" and the United States Department of Housing and Urban Development from any liability or claim for damages because of bodily injury, death, property damage, sickness, disease or loss and expenses arising from the Contractor's performance of this Contract. Each contractor and subcontractor is acting in the capacity of an independent contractor with respect to the property owner(s). The contractor further agrees to protect, defend and indemnify the property owner(s) from any claims by laborers, subcontractors and material-men for unpaid work labor performed or materials supplied in connection with this Contract.

6. **Eligibility:** The contractor represents that he or she is not listed on the Disbarred and Suspended Contractor's List of the United States Department of Housing and Urban Development. The contractor agrees not to hire or utilize as a subcontractor or supplier any person or firm that is so listed.
7. **Condition of Premises:** The contractor agrees to keep the premises broom clean and orderly and remove all debris as needed during the course of work, in order to maintain work conditions which do not cause health or safety hazards.
8. **Lead-based Paint:** The contractor agrees to use no lead-based paint in the Contractor's performance of this Contract, including the performance of any subcontractors. "Lead-based Paint" means any paint containing more than six one-hundredths (6/100) of one percent (1%) lead by weight (calculated as lead metal) in the total nonvolatile content of the paint or the equivalent measure of lead in the dried film of paint already applied. The City shall schedule and pay for a Lead-based Paint Clearance Test at the completion of the project, if however the Lead-based Paint Clearance Test fails, the Contractor shall be responsible to schedule and pay for the second and any subsequent Lead-based Paint Clearance Test that may be required. The Contractor shall use the same Lead-based Paint Contractor that performed the first Clearance Test.
9. **Termination:** The contractor agrees that the property owner(s) shall have the right to declare the contractor in default if the contractor fails to furnish materials or perform work in accordance with the provisions of this Contract. In such event, the property owner(s) shall be responsible for providing written notice to the contractor by registered mail of such default. If the contractor fails to remedy such default within fifteen (15) days of such notice, the property owner(s) shall have the right to select one or more substitute contractors acceptable to the City. If the expense of finishing the work exceeds the balance not yet paid to the contractor on this Contract, the contractor shall pay the difference to the property owner(s).
10. **Inspection:** Designees from the United States Government, City of Springdale,

United States Department of Housing and Urban Development shall have the right to inspect all work performed under this Contract. The contractor and property owner(s) will take all steps necessary to assure that designees from the United States Government, City of Springdale, United States Department of Housing and Urban Development are permitted to examine and inspect the property, and all contracts, materials, equipment, payrolls and conditions of employment pertaining to the work, including all relevant data and records. By such inspection, the United States Government, City of Springdale, and United States Department of Housing and Urban Development assume no responsibility to the property owner(s) for defective material or work under this Contract or to either party for any breach of this Contract by the other.

11. Interest of Federal, State, or City Personnel: The contractor agrees that no officer or employee of the City or State who exercises any function or responsibility in connection with the administration of the Community Development Block Grant Program or any member of the governing body of the City or State have any interest or benefit, direct or indirect, in this Contract.

12. Equal Opportunity: The contractor agrees to abide by all Federal, State, and/or Local regulations relative to equal opportunity to all persons, without discrimination as to race, color, creed, religion, national origin, sex, marital status, age, and status with regard to public assistance or disability.

Homeowner _____ Date _____

Homeowner _____ Date _____

Contractor _____ Date _____

Approved by the City, mailed to contractor and effective date , 2013

Community Development Block Grant Manager: _____

SUBSCRIBED AND SWORN before me, a Notary Public this day of,

Notary Public

My Commission Expires: _____

PAYMENT SCHEDULE

Payments to the Contractor under this Contract for work completed may be requested by the Contractor in the amounts and at the intervals specified below.

1. **\$0.00** for the completion and acceptance of 50% of the total project cost
2. **\$0.00** for the completion and acceptance of 100% of the total project cost minus any previous payments
3. Any cost associated with change orders and/or modifications to the original Description of Work will be processed and released with the final payment.

Community Development Block Grant Program
Housing Services Program
Pre-Construction Conference and Notice to Proceed

Homeowner(s):
Project Address:

Project: __ Number: HR-14- Date:

Contractor:
Address:

Pre-Construction Conference

The award of a Housing Rehabilitation Contract to the above mentioned contractor has MY/OUR full approval as legal owner(s) of said property. I/WE authorize the contractor to start MY/OUR Housing Rehabilitation Project and agree to provide the contractor(s) access to MY/OUR home Monday–Friday during normal workings hours. I/WE understand that I/WE are responsible to remove all personal belongs from areas where work will be performed and understand the contractor will move and put back all furniture necessary to accomplish the work.

Notice to Proceed

In accordance with the provisions of the Housing Rehabilitation Contract you are hereby given **Notice to Proceed** with the Housing Rehabilitation at the property listed above. You are to commence work on or before , **2014** and the work is to be completed within **Thirty (30) Consecutive Calendar Days** unless the project is unavoidably delayed through acts of nature, change orders, acts on the part of the homeowner(s), or other events beyond the normal control of the contractor. Therefore the expected date of completion is , **2014**.

: _____ Date: _____

: _____ Date: _____

: _____ Date: _____

Project Manager: Don Hancock _____ Date: _____

Community Development Block Grant Program
Housing Services Program
Change Order Authorization

Homeowner(s):
Project Address:

Project: __ Number: **HR-14-** Date:

Contractor:
Address:

The following is a change order to the original Contract dated __, **2014** between the Homeowner(s) and the Contractor listed above. This Change Order is made in order to modify or change the Description of Work under the contract. The above-captioned Contract and this Change Order is made a part of that Contract. This Change Order supersedes any previous drawings, specifications and agreements.

CHANGES:

Original Contract Sum	\$0.00	
Contractor Sum Paid-To-Date		\$0.00
Due on Original Contract	\$0.00	
Previous Change Order Total		\$0.00
Subtotal Due	\$0.00	
Amount This Change Order		\$0.00
Total Contract Amount	\$0.00	
Total Amount Due		\$0.00

: _____ Date: _____

: _____ Date: _____

: _____ Date: _____

Project Manager: Don Hancock _____ Date: _____

**Community Development Block Grant Program
Housing Services Program**

Project Close-out Certification and Owner's Warranty

Homeowner(s): ___ Phone: **(479)**
Project Address:

Project: ___ Number: **HR-14-** Date:

Contractor:
Address:

Project Close-out Certification

Reference to the Contract dated _____, **2014** between the Contractor and Homeowner(s) for the rehabilitation of the dwelling located at the homeowner(s) address shown above. I/WE have conducted a final inspection of MY/OUR Housing Rehabilitation Project. The work was performed in accordance with the Contractor's Description of Work, duly approved change order(s) and modification(s) if any. All work is completed to MY/OUR satisfaction and I/WE hereby accept the project that was completed on the **day of** , 2014.

: _____ Date: _____

: _____ Date: _____

Project Manager: Don Hancock _____ Date: _____

Homeowner's Warranty

In accordance with Part 1, Item 6 of the Housing Rehabilitation Contract and with the performance of the work under the Contract, you are advised that we warrant all material, fixtures, and equipment furnished were new and of good quality. Should any defects be caused by faulty materials, fixtures, equipment or workmanship within **One (1) Year** from the date of final acceptance, we will promptly remedy the defect(s) and repair any damage to other work resulting there from.

: _____ Date: _____

Community Development Block Grant Program

Housing Services Program

Payment Request Authorization

Homeowner(s):

Project Address:

Project: __ Number: HR-14- Date:

Contractor:

Address:

Original Contract: \$0.00 Change Order: \$0.00 New Contract: \$0.00

Contractor: I hereby request my **FINAL** payment in the amount of \$7,692.50. I certify that I have satisfactorily completed the necessary work to justify this request and that all bills incurred for labor used and materials furnished in making said repairs and improvements have been paid in full as of this date.

Date: _____

Homeowner(s): I/WE hereby agree that the work stated by the contractor has been completed and approve payment to the contractor in accordance with the Contract and contingent upon inspection and concurrence by the Project Manager. It is understood that the actual amount disbursed will be based on the findings of that inspection and the Payment Schedule. Homeowner's cost share of the project is \$0.00

Date: _____

Date: _____

Community Development Block Grant Manager: I hereby certify that all work is completed as indicated on the Contractor's Payment Request and invoice. I hereby request approval of the payment as shown above.

Project Manager: Don Hancock _____ Date: _____

Community Development Block Grant Program

Housing Services Program

Deferred Loan Agreement Addendum

Grant Number: B-15-MC-05-0002

This addendum is to a Deferred Loan Agreement executed on ____, **2014** between the City of Springdale's Community Development Block Grant Program hereinafter called the City, and _____ hereinafter called the Homeowner(s). This addendum increases the amount of the loan provided to the Homeowner(s) by the City and increases the amount subject to the covenants in the Deferred Loan Agreement between the City and the Homeowner(s) to a total of _____ **(\$0.00)** amount is based on the following:

Cost of previous rehab work \$0.00

Cost of current rehab work \$0.00

Minus homeowners cost share -\$0.00

Total Deferred Loan Amount \$0.00

IN WITNESS THEREOF, the City and the Homeowner(s) have executed this Addendum on or as of the date written below.

_____ Date _____

_____ Date _____

Community Development Block Grant Manager: **Don Hancock**_____

SUBSCRIBED AND SWORN before me, a Notary Public this ____ day of _____
_____.

Debbie A. Pounders, Notary Public

My Commission Expires: _____

Community Development Block Grant Program

Housing Services Program

Waiver of Lien

Homeowner(s): ___ Phone:

Project Address: Springdale, Arkansas

Project: Housing Rehabilitation Number: HR- Date:

Contractor:

Address:

Project Manager: **Don Hancock** Office: **(479) 750-8175** Cell: **(479) 263-7024**

Reference to the Contract dated _____ between the Contractor and Property Owner(s) for the rehabilitation of the dwelling located at the owner's address shown above.

1. The undersigned hereby certifies that he/she has received the total payments from the City on behalf of the property owner(s) in the amount of **\$.00** pursuant to the Contract and duly approved Change Order(s) and modification(s) if any.
2. The undersigned hereby certifies that all work required under the Contract, Change Order(s) and modification(s) if any have been performed in accordance with the terms thereof and that there are no unpaid claims for materials, supplies, or equipment and no claims of laborers or mechanics for unpaid wages arising out of the performance of the Contract.
3. The final payment having been made the undersigned does hereby release the Property Owner(s) from any and all claims arising under or by virtue of the Contract.

Contractor's Printed Name

Contractor's Signature

SUBSCRIBED AND SWORN before me, a Notary Public this ,

(SEAL)
Notary Public

My Commission Expires: _____